



## ANNUAL USE OF CAPITAL SURVEY - 2009

## NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Greer Bancshares Incorporated

Person to be contacted regarding this report:	J. Richard Medlock, Jr.
CPP Funds Received:	\$9,993,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	1/30/2009
Date Repaid <sup>1</sup> :	

RSSD: (For Bank Holding Companies)	3025648
Holding Company Docket Number: (For Thrift Holding Companies)	N/A
FDIC Certificate Number: (For Depository Institutions)	27-413
City:	Greer
State:	South Carolina

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

*American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.*

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	
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<input type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	The TARP funds received were used to purchase investment securities to provide income to pay the required dividends on the preferred stock issued to the Treasury. Investments purchased were primarily mortgage backed securities that would provide cash flow to be used to satisfy loan demand.
<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	

<input checked="" type="checkbox"/>	Reduce borrowings	Borrowings initially increased in the first half of 2009; however, in the first quarter of 2010, borrowings have been reduced as liquidity has permitted.
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/>	Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP funds?

The most significant benefit of the TARP funds was to provide sufficient capital for the bank to be well-capitalized by regulatory definition. In the third quarter of 2008, the bank had written off approximately \$7.5 million relating to Fannie Mae preferred stock. The write down resulted in the bank's capital ratios declining below the minimum to be considered well-capitalized. The decline in capital led to the FDIC restricting the use of brokered deposits and the Federal Home Loan Bank requiring a higher level of collateral to support the bank's borrowings. After the TARP funds were received, the restrictions and additional collateral requirements were alleviated.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

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According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.